

EXEMPLAR PERFORMANCE FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS – FUND SPECIFIC INFORMATION

For the periods ended June 30, 2019 and December 31, 2018

The investment objective of the Exemplar Performance Fund is to achieve capital appreciation over both short and long term horizons primarily through the selection and management of shares of Canadian equity securities.

RISK MANAGEMENT

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions. The maximum loss on equities and debt sold short can be unlimited.

The management of these risks is carried out by the Manager in accordance with the Fund's Declaration of Trust.

A general discussion of financial risk management for the Exemplar Funds appears as Note 4: FINANCIAL INSTRUMENTS – RISK MANAGEMENT.

Credit Risk

As at June 30, 2019 and December 31, 2018, the Fund had no investments in debt instruments and therefore was not subject to related credit risk.

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At June 30, 2019 and December 31, 2018, all amounts due from brokers, cash and cash equivalents and margin deposits are held with counterparties with a credit rating of A3 or higher. Management consider the probability of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

The Fund is exposed to counterparty credit risk on margin on deposit, cash held at the broker and receivables for securities sold. The Fund's brokerage agreement requires cash collateral up to 150% of the fair value of securities sold short. The Fund's prime brokerage services are provided by BMO Nesbitt Burns which has a credit rating of Aa2 (December 31, 2018: Aa2) as rated by Moody's bond rating services. Cash collateral has been provided to BMO Nesbitt Burns in accordance with terms of derivative transaction agreements and is presented as 'Margin deposits' in the Statements of Financial Position.

The Fund is exposed to counterparty credit risk on cash and other receivable balances. The Fund's broker and custodial services are provided by CIBC Mellon Trust Company which has a credit rating as rated by Moody's bond rating services of A1 (December 31, 2018: A1).

The Fund is exposed to credit risk on cash deposits held at CIBC Mellon Trust Company which has a credit rating as rated by Moody's bond rating services of A1 (December 31, 2018: A1).

The Fund may participate in securities lending up to a maximum of 50% of the aggregate net asset value of the Fund, excluding the collateral held in respect to such loans, and is exposed to counterparty risk on all such loans, if any. The credit risk related to the securities lending program is limited as the Fund holds a minimum collateral equal to 102% of the fair value of the loaned securities. The collateral and loaned securities are marked to market on each valuation date. All counterparties have a credit rating equivalent to a Moody's credit rating of not less than Aa3.

There are risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund. Therefore, the Fund should not be exposed to credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolio of the Fund may experience increased exposure to credit risk associated with the applicable custodians or brokers.

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Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to daily cash redemptions which are redeemable on demand at the holder's option and payable within 10 business days after the redemption date and as such, retains sufficient cash to fund anticipated redemptions

Market Risk

The following include sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Currency Risk

The table below indicates the Fund's exposure to foreign currencies as at June 30, 2019 and December 31, 2018 in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to the other currencies, with all other variables held constant. Non-monetary items include equities and funds. Monetary items include fixed income, cash, margin deposit, forward contracts and other current receivables and payables.

June 30, 2019	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
Currency	\$	\$	\$	\$	\$	\$
United States Dollar - Long	-	10,526,968	10,526,968	-	1,052,697	1,052,697
United States Dollar - Short	-	(1,165,780)	(1,165,780)	-	(116,578)	(116,578)
British Pound - Long	-	979,544	979,544	-	97,954	97,954
Total	-	10,340,732	10,340,732	-	1,034,073	1,034,073
% of net assets attributable to holders of redeemable units	0.0%	25.7%	25.7%	0.0%	2.6%	2.6%

December 31, 2018	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
Currency	\$	\$	\$	\$	\$	\$
United States Dollar - Long	10,301,447	7,621,049	17,922,496	1,030,145	762,105	1,792,250
United States Dollar - Short	-	(716,935)	(716,935)	-	(71,694)	(71,694)
British Pound - Long	-	1,095,000	1,095,000	-	109,500	109,500
British Pound - Short	(267)	-	(267)	(27)	-	(27)
Total	10,301,180	7,999,114	18,300,294	1,030,118	799,911	1,830,029
% of net assets attributable to holders of redeemable units	25.3%	19.7%	45.0%	2.5%	2.0%	4.5%

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(b) Interest Rate Risk

As at June 30, 2019 and December 31, 2018, the Fund did not hold any interest-bearing securities, and therefore was not subject to significant interest rate risk.

Term to Maturity	Total Exposure	
	June 30, 2019	December 31, 2018
Less than 1 year	\$ -	\$ -
1-3 years	-	-
3-5 years	-	-
Greater than 5 years	243,750	-
Total	\$ 243,750	\$ -
Sensitivity:		
Total \$ sensitivity to net assets attributable to holders of redeemable units	+/- \$ 13,613	+/- \$ -
Total % sensitivity to net assets attributable to holders of redeemable units	0.00	-

(c) Price Risk

The Fund's policy is to manage price risk through diversification and selection of investments within specified limits established by the investment restrictions within the prospectus, as summarized below.

To achieve the investment objective, the Fund will invest predominantly in large and mid capitalization Canadian companies. Generally, no more than 20% of the Fund is expected to be invested outside of this investment focus. The Fund may also invest in bonds and other debt instruments if warranted by financial conditions. The Fund will not specialize in any one industry other than to concentrate investments in those industries that offer the best opportunities for exceptional returns at each stage of the economic and market cycle.

The Fund may follow a more concentrated investment approach and, from time to time, over weight certain geographic regions and industry sectors when deemed appropriate by the Manager. This may result in the Fund's portfolio weightings being substantially different from the weightings of the S&P/TSX Composite Total Return Index (or its successor index).

The Fund may hold cash or invest in short term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the Manager's ongoing evaluation of current and anticipated economic and market conditions. The Fund may also invest in foreign securities of the same type and characteristics as described above.

The Fund engages in short selling activities, wherein it borrows securities and sells them to third parties. Until the Fund covers its short sales, it is exposed to market risk to the extent that subsequent market fluctuations may require purchasing securities sold short at prices which may be significantly higher than the fair value reflected on the financial statements.

As at June 30, 2019, the impact on net assets of the Fund due to a 5% change in market prices of equity and fund securities is \$1,674,469 (all other variables held constant) (December 31, 2018: \$1,211,087).

Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The following is a summary of the Fund's concentration risk as of June 30, 2019 and December 31, 2018:

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Market Segment	June 30, 2019		December 31, 2018	
	Long (%)	Short (%)	Long (%)	Short (%)
Communication Services	0.7	(0.1)	0.8	-
Consumer Discretionary	3.8	(0.2)	3.4	(0.3)
Consumer Staples	3.7	(0.1)	3.4	-
Corporate Bonds	0.6	-	-	-
Energy	7.6	-	6.0	-
Financials	4.8	(0.3)	5.1	(0.2)
Funds	15.1	(3.2)	3.8	(1.7)
Health Care	2.7	-	3.4	-
Industrials	19.0	(0.1)	14.0	(0.2)
Information Technology	15.9	-	10.4	-
Materials	5.7	(0.1)	5.0	(0.0)
Real Estate	3.3	(0.1)	2.7	-
Utilities	4.6	-	3.9	-
Totals	87.5	(4.2)	61.9	(2.4)

FAIR VALUE MEASUREMENT

A general discussion of fair value measurement for the Exemplar Funds appears as Note 5: FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT.

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2019 and December 31, 2018:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Equities	28,851,357	-	-	28,851,357
Fixed income	-	243,750	-	243,750
Funds	6,048,594	-	-	6,048,594
	34,899,951	243,750	-	35,143,701
Financial liabilities				
Equities sold short	(387,970)	-	-	(387,970)
Funds	(1,266,351)	-	-	(1,266,351)
	(1,654,321)	-	-	(1,654,321)
Total	33,245,630	243,750	-	33,489,380

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Equities	23,649,687	-	-	23,649,687
Funds	1,538,974	-	-	1,538,974
Derivatives	2,514	-	-	2,514
	25,191,175	-	-	25,191,175
Financial liabilities				
Equities sold short	(282,105)	-	-	(282,105)
Funds	(687,325)	-	-	(687,325)
	(969,430)	-	-	(969,430)
Total	24,221,745	-	-	24,221,745

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All fair value measurements above are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it would be classified as Level 3.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements if any. The Manager obtains pricing from a third party pricing vendor which is monitored and reviewed daily by the Manager. In addition, at each financial reporting date, the Manager reviews and approves all Level 3 fair value measurements, if applicable.

a) Equities and Funds

The Fund's equity positions and investments in funds (long and short) are all classified as Level 1 as each security is actively traded on a recognized exchange and a quoted price is available.

b) Bonds

The Fund's bond holdings are comprised of Canadian corporate bonds. Bond pricing is obtained from bid and ask prices provided by independent security pricing services or recognized investment dealers. Bond prices may be derived by using models which include inputs such as interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

c) Derivatives

Derivatives consist of warrants and forward currency contracts. Warrants are valued using models and valuation techniques commonly used in the industry, including inputs such as underlying stock price, restrictions on exercise and days to expiry. Exchange traded warrants are classified as Level 1. When the inputs that are significant to valuation are generally observable, the warrants are classified as level 2. Forward currency contracts are valued based primarily on the contract notional amount and the difference between the contract rate and the forward market rate for the same currency, adjusted for counterparty risk. Forward currency contracts are classified as Level 2.

As at June 30, 2019, the Fund did not hold any level 3 financial instruments. There were no transfers between levels 1, 2 and 3 during the periods ended June 30, 2019 and December 31, 2018.

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GENERAL NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

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1. THE FUNDS

Exemplar Growth and Income Fund, Exemplar Investment Grade Fund, and Exemplar Performance Fund (collectively the “Funds” and each a “Fund”) are open-ended mutual fund trusts created under the laws of the Province of Ontario pursuant to a declaration of trust dated August 27, 2007 (the “Declaration of Trust”) as amended and restated from time to time.

Arrow Capital Management Inc. (“Arrow”) is the manager (“Manager”) and Trustee of the Funds. The transfer agent and custodian of the Funds are RBC Investor Trust Inc. and CIBC Mellon Trust Company, respectively. The address of the Funds’ registered office is 36 Toronto Street, Suite 750, Toronto, Ontario.

The date of inception and series structure of the Funds are as follows:

Name of the Fund	Date of Inception	Series Information
Exemplar Growth and Income Fund	March 16, 2015	Series A, AN, F, FN, I, L and LN units.
	July 5, 2018	ETF units
Exemplar Investment Grade Fund	June 27, 2014	Series A, AI, F and I units
	November 12, 2014	Series AN, FI and FN units
	June 29, 2015	Series U and G units
	November 17, 2017	ETF units.
Exemplar Performance Fund	March 6, 2014	Series A, F, I and L units.
	March 16, 2015	Series AD, FD and LD units

Arrow is the portfolio advisor of the Funds. Arrow has engaged East Coast Fund Management Inc. as a sub-advisor “Portfolio Sub-advisor” for the Exemplar Investment Grade Fund.

The Statements of Financial Position of each of the Funds are as at June 30, 2019 and December 31, 2018. The Statements of Comprehensive Income (Loss), Statements of Changes in Net Assets Attributable to Holders of Redeemable Units and Statements of Cash Flows for each Fund are for the years ended June 30, 2019 and 2018, except for Funds or series of a Fund established during either period, in which case the information for that Fund or applicable series is provided for the period from inception of the Fund or start date of the series of the Fund to the period ended of the applicable year. The Schedule of Investment Portfolio for each Fund is as at June 30, 2019.

On December 1, 2017, Exemplar Investment Grade Fund listed Series ETF units on the Toronto Stock Exchange (the “TSX”) under the symbol CORP. On July 27, 2018, Exemplar Growth and Income Fund listed Series ETF on the TSX under the symbol EGIF.

These financial statements were authorized for issue by the Manager on August 27, 2019.

Fund Merger

Effective March 27, 2019, Exemplar Leaders Fund and Exemplar Tactical Corporate Bond Fund (the “Terminating Funds”) merged into Exemplar Growth and Income Fund and Exemplar Investment Grade Fund, respectively (the “Continuing Funds”). Unitholders of the Terminating Funds received units of the Continuing Funds in exchange for their units of the Terminating Funds on a tax-deferred basis. The merger was effected by transferring the net assets of the Terminating Fund in exchange for securities of the Fund at fair market value. The merger has been accounted for as an acquisition of the Terminating Fund. Following the merger, the Terminating Fund was terminated. Arrow paid the expenses incurred to effect the merger.

Details relating to the mergers are as follows:

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	Net Assets acquired by Exemplar Growth and Income Fund (Continuing Fund) \$	Units issued by Exemplar Growth and Income Fund	Conversion Ratios of Exemplar Leaders Fund (Terminating Fund)	
			Series A	Series F
Series AN	20,118,825	1,841,540	3.6515	
Series FN	8,305,558	742,277		3.6627

	Net Assets acquired by Exemplar Investment Grade Fund (Continuing Fund) \$	Units issued by Exemplar Investment Grade Fund	Conversion Ratios of Exemplar Tactical Corporate Bond Fund (Terminating Fund)					
			Series A	Series AI	Series F	Series FI	Series AN	Series FN
Series A	2,845,569	326,844	0.9759					
Series AI	754,883	86,706		0.8944				
Series F	26,460,969	2,956,037			0.9878			
Series FI	3,086,589	344,812				0.9058		
Series AN	3,335,046	327,534					0.9752	
Series FN	6,867,488	666,281						0.9723

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

2.1 Basis of Accounting

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities that have been measured at fair value. These financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2018.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in its process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5: FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT.

2.2 Foreign Currency Translation

The Funds' functional and presentation currency is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to cash are presented as 'Foreign exchange gain (loss)' and those relating to other investments and derivatives are presented within 'Net realized gain (loss) on

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investments and derivatives' and 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss).

2.3 Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classify and measure financial instruments in accordance with IFRS 9.

a) Classification

Assets

The Funds classify their investments based on both the Funds business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and sale. The collection of contractual cash flows is only incidental to achieving the Funds business model's objective. Consequently, all investments are measured at FVTPL.

Liabilities

The Funds may make short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at FVTPL.

As such, the Funds classify all of their investment portfolio as financial assets or liabilities as FVTPL.

The Funds policy requires the Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

b) Recognition, derecognition and measurement

Regular purchases and sales of financial assets are recognized in the Statements of Financial Position at their trade date – the date on which the Funds commit to purchase or sell the investment. Financial assets and financial liabilities at FVTPL are initially recognized at fair value. Transaction costs are expensed as incurred.

All financial instruments are recognized in the Statements of Financial Position when the Funds become a party to the contractual requirements of the instrument.

Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled or expires.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at FVTPL category are recognized in the Statements of Comprehensive Income (Loss) in 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives'.

The Funds' accounting policies for measuring the fair value of their investments and derivatives are the same as those used in measuring its net asset value ("NAV") for transactions with shareholders. There were no differences between the net assets attributable to holders of redeemable shares used for reporting purposes under IFRS and that used for transactions with unitholders as at June 30, 2019 or December 31, 2018.

Realized gains and losses on sale of investments and unrealized appreciation or depreciation in investments are determined on an average cost basis excluding commissions and other portfolio transaction costs, which are separately reported in the Statements of Comprehensive Income (Loss) in 'Commissions and other portfolio transaction costs'. Realized gains and losses on securities sold

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short and unrealized appreciation or depreciation on securities sold short are calculated with reference to the average proceeds of the related securities. Average cost does not include amortization of premiums or discounts on fixed income securities. Interest for distribution purposes shown on the Statements of Comprehensive Income (Loss) represents the coupon interest received by a Fund accounted for on an accrual basis. The Funds do not amortize premiums or discounts received on the purchase of fixed income securities.

Dividend income and dividend expense on short sales is recognized in the Statements of Comprehensive Income (Loss) on the ex-dividend date. Distributions received from investment trust units are recorded as dividends, interest for distribution purposes, net realized gains (losses) on sale of investments or a return of capital, based on the best information available to the Manager. Due to the nature of those investments, actual allocations could vary from this information.

c) Financial Instruments - Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for securities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The fair value of bonds is determined using mid-market pricing derived from bid and ask prices provided by independent security pricing services or recognized investment dealers. The fair value of futures contracts is based on the settlement price assigned by the exchange. Gains and losses arising from changes in the fair value of financial assets or liabilities are presented in the Statements of Comprehensive Income (Loss). The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels at the beginning of each period.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Funds may use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same and other commonly used methods by market participants which make the maximum use of observable inputs.

d) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. When a Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When a Fund writes an option, an amount equal to fair value which is based on the premium received by the Fund is recorded as a liability. Options held by a Fund are exchange-traded. Subsequent to initial recognition, changes in fair value, the difference between the premium paid or received, and fair value, are presented in 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss). When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognized as a gain or loss and is presented in the Statements of Comprehensive Income (Loss) within 'Net realized gain (loss) on investments and derivatives'.

e) Forward Currency Contracts

The Funds may enter into forward currency contracts for purposes of minimizing currency exposure or to establish an exposure to a particular currency. The value of forward currency contracts entered into by a Fund is recorded as the difference between the contract rate and the current forward rates at the measurement date, applied to the contract's notional amount and adjusted for counterparty risk. The change in the fair value of forward currency contracts is included in 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss). Upon closing of a contract, the gain or loss is included in 'Net realized gain (loss) on investments and derivatives' in the Statements of Comprehensive Income (Loss).

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f) Futures Contracts

The Funds may purchase or sell exchange traded futures contracts. Futures contracts are contractual obligations to buy or sell financial instruments or commodities on a future date at a specified price established in an organized market. Subsequent to initial recognition, changes in fair value are presented in 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss). When futures contracts are closed out, the gain or loss is presented in the Statements of Comprehensive Income (Loss) within 'Net realized gain (loss) on investments and derivatives'.

g) Credit Default Swap Contracts

A credit default swap contract is an agreement to transfer credit risk from one party, a buyer of protection, to another party, a seller of protection. The Fund as a seller of protection would be required to pay a notional or other agreed upon value to the buyer of protection in the event of a default by a third party. In return, the Fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default occurs. If no default occurs, the Fund would keep the stream of payments and would have no payment obligations.

The Fund as a buyer of protection would receive a notional or other agreed upon value from the seller of protection in the event of a default by a third party. In return, the Fund would be required to pay to the counterparty a periodic stream of payments over the term of the contract provided that no event of default occurs.

Premiums received or paid for entering into a credit default swap are included in the Statements of Financial Position as either an asset or liability. Credit default swap contracts are fair valued on each valuation day based upon quotations from independent security pricing sources. The change in the difference between the premium and the fair value is included in 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss). Upon closing or expiry of a contract, the gain or loss is included in 'Net realized gain (loss) on investments and derivatives' in the Statements of Comprehensive Income (Loss).

h) Interest Rate Swap Contracts

An interest swap contract is a contractual agreement entered into between the Fund and a counterparty under which each party agrees to exchange periodic fixed or variable payments, based upon a stated notional amount, over the stated life of the agreement. The net differential paid or received is recognized over the life of the agreement as a realized gain or loss on investments. Interest rate swap contracts are fair valued on each valuation day using indicative bid/ask prices from third party broker dealers. The change in fair value is included in 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss). Upon closing or expiry of a contract, the gain or loss is included in 'Net realized gain (loss) on investments and derivatives' in the Statements of Comprehensive Income (Loss).

2.4 Offsetting Financial Statements

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Funds enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

2.5 Due From and To Brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statements of Financial Position date respectively. The due from brokers balance is held for collection. These amounts are recognized initially at fair value and subsequently measured at amortized cost. Amounts due from brokers are presented in "Receivables for securities sold" and amounts due to brokers are presented in "Payable for securities purchased" in the Statements of Financial Position.

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2.6 Cash and Cash Equivalents

Cash and cash equivalents which includes cash deposited with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the Funds in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity.

2.7 Margin Deposits

Cash collateral provided by each Fund to brokers for securities sold short and counterparties to derivative transactions is identified in that Fund's Statements of Financial Position as 'Margin Deposits'.

2.8 Margin Loans

Margin loans represents cash amounts borrowed under a margin agreement with a Fund's broker and is payable upon demand (if applicable) which is identified in the Fund's Statements of Financial Position as 'Margin Loans'.

2.9 Investments in Structured Entities

The Funds may invest in underlying investment vehicles ("Structured Entities") that are managed by their respective Investment Advisors and whose investment objectives may range from achieving short-term to long-term income and capital growth. Structured Entities may use leverage in a manner consistent with their respective objectives and as permitted by their respective governing regulatory authorities. Structured Entities finance their operations by issuing redeemable units which are puttable at the holder's option and entitles the holder to a proportionate stake in the respective fund's net assets. The Funds' interest in Structured Entities as at June 30, 2019 and 2018, held the form of redeemable units, which are included at their fair value in the Statements of Financial Position which represents the Funds' maximum exposure in these Structured Entities. Refer to Note 6. The Funds do not provide, and have not committed to provide, any additional significant financial or other support to the Structured Entities. The change in fair value of each of the Structured Entities during the periods is included in 'Net change in unrealized appreciation (depreciation) of value of investments and derivatives' and 'Net gains (losses) on investments and derivatives' in the Statements of Comprehensive Income (Loss).

2.10 Series ETF Units and Unit Transactions

The Manager, on behalf of the Series ETF, has entered into a designated broker agreement with one or more designated brokers pursuant to which the designated broker has agreed to perform certain duties relating to the ETF including, without limitation: (i) to subscribe for a sufficient number of units to satisfy the TSX's original listing requirements; (ii) to subscribe for units on an ongoing basis in connection with any rebalancing event, as applicable, and when cash redemptions of units occur; and (iii) to post a liquid two-way market for the trading of units on the TSX. In accordance with the designated broker agreement, Arrow may from time to time require the designated broker to subscribe for units of the ETF for cash.

The number of units issued for subscription orders (the "Prescribed Number of Units") is determined by Arrow. On any trading day, a designated broker may place a subscription or redemption order for an integral multiple of the Prescribed Number of Units of Series ETF based on the NAV per unit determined on the applicable trading day. A trading day is each day on which the TSX is open for business.

Generally, all orders to purchase Series ETF units must be placed by a designated broker or a dealer. The Fund reserves the right to reject any subscription order placed by a designated broker or dealer in connection with the issuance of Series ETF units. No fees will be payable Series ETF to a designated broker or a dealer in connection with the issuance of units. On the issuance of units, an amount may be charged to a designated broker or a dealer to offset the expenses incurred in issuing units.

For each Prescribed number of Series ETF units issued, a dealer must deliver payment consisting of (1) cash in an amount equal to the aggregate net asset value per unit of the Prescribed Number of Series ETF units next determined following the receipt of the subscription order; (ii) a group of securities or assets representing the constituents of, and their weightings in, the Fund ("Basket of Securities") or a combination of a Basket of Securities and cash, as determined by us, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value per unit of the Prescribed Number of ETF Series Units next determined following the receipt of the subscription order; or (iii) securities other than Baskets of Securities or a combination of

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securities other than Baskets of Securities and cash, as determined by us, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate NAV per unit of the Prescribed Number of Units next determined following the receipt of the subscription order.

2.11 Securities Lending Income

The Funds may enter into securities lending arrangements. These transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities at a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in 'Securities lending income (net)' in the Statements of Comprehensive Income (Loss).

Securities lending transactions are subject to master netting arrangements and the related offsetting disclosure is presented in Note 9.

2.12 Commissions and Other Portfolio Transaction Costs

Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers. Such costs are expensed when incurred.

2.13 Income and Expense Allocation

The net assets of each series of each Fund are computed by calculating the value of that series' proportionate share of that Fund's assets less that series' proportionate share of that Fund's common liabilities less series specific liabilities, if any. Expenses directly attributable to a series are charged to that series. Other income, expenses and gains/losses are allocated based on a reasonable allocation methodology which will include allocations based on the assets of the Funds or the number of unitholders in the Funds or other methodology the Manager determines is fair.

2.14 Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

The increase (decrease) in net assets attributable to holders of redeemable Units per unit is calculated by dividing the increase (decrease) in net assets attributable to the series divided by the weighted average number of redeemable shares outstanding in that series during the period. Refer to Note 13 for the calculation.

2.15 Classification of Redeemable Units issued by the Funds

The Funds' redeemable units are multi-series and contain multiple dissimilar contractual obligations and therefore meet the criteria for classification as financial liabilities under IAS 32, Financial Instruments: Presentation. The Funds' obligation for net assets attributable to unitholders is presented at the redemption amount.

2.16 Impairment Policy

At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired.

2.17 Mergers

The Funds apply the acquisition method of accounting for Fund mergers. Under this method, one of the Funds in each merger is identified as the acquiring Fund, and is referred to as the Continuing Fund, and the other Fund involved in the merger is referred to as

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the Terminating Fund. This identification is based on the comparison of the relative net asset values of the Funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors; investment objectives and practices; type of portfolio securities; and management fees and expenses.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Manager has made in preparing the financial statements:

Use of Estimates

Fair Value measurement of derivatives and securities not quoted in an active market

The Funds may hold financial instruments that are not quoted in active markets, including derivatives. Fair value of such instruments is determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, a Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 6 for further information about the fair value measurement of the Fund's financial instruments.

As at June 30, 2019, the investments in the Underlying Funds represented 3.5% (3.5% Exemplar Investment Grade Fund – Series ETF) (December 31, 2018: 3.5% (3.5% Exemplar Investment Grade Fund – Series ETF) of net assets attributable to holders of redeemable units of Exemplar Growth and Income Fund. The fair values of the Underlying Funds are determined primarily by reference to the latest available net asset value per unit of the Underlying Funds' units as reported by the respective administrators of the Underlying Funds. The Fund may make adjustments to the values based on considerations such as; liquidity of the Underlying Funds or their underlying investments, the value date of the net asset values provided, any restrictions on redemptions and the basis of accounting. Redemptions can only be made on the redemption dates and subject to the required notice periods specified in the respective offering documents. As a result, the carrying values of the Underlying Funds may not be indicative of the values ultimately realized on redemption. Series I unitholders of the Underlying Funds have the right to redeem any or all of their Series I units effective each business day of each month.

Refer to Note 5 for further information about the fair value measurement of the Fund's financial instruments and to Note 6 for further information about the Fund's Structured Entities.

Use of Judgments

Classification and Measurement of Investments and Application of the Fair Value Option

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial statements.

Assessment as Investment Entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. Each Fund meets the definition of investment entity as it obtains funds from one or more investors for the purpose of providing those investors with professional investment management services and commit to their investors

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that their business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Each Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

Determination if Underlying Funds Meet the Structured Entity Definition

The Funds have concluded that their investments in the Underlying Funds are investments in unconsolidated structured entities. This represents a significant judgment by the Funds that is based generally on the fact that the decision making about the Underlying Funds investing activities is not governed by voting rights held by the Funds and other investors.

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

In the normal course of business, each Fund is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk), concentration risk and capital risk. Please refer to Notes to the Financial Statements – Fund Specific Information for each Fund's specific risk disclosure.

Credit Risk

The Funds may be exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Where a Fund invests in debt instruments and derivatives, this represents the main concentration of credit risk. The Funds are also exposed to counterparty credit risk on cash, margin deposits and other receivable balances. The Funds may also participate in securities lending and: therefore, be exposed to counterparty risk on all such loans, if any.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The credit risk related to the associated receivables is considered limited, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. However, there are risks involved in dealing with custodians or prime brokers who settle trades and in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing a Fund's rights to its assets in the case of an insolvency of any such party.

The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At June 30, 2019 and December 31, 2018, all amounts due from brokers, cash and cash equivalents and margin deposits are held with counterparties with a credit rating of Aa3 or higher. Management consider the probability of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Liquidity Risk

Liquidity risk is the risk that a Fund will encounter difficulty in meeting obligations associated with financial liabilities. Each Fund is exposed to daily cash redemptions and as such, retains sufficient cash to fund anticipated redemptions. Each Fund aims to retain sufficient cash to maintain adequate liquidity including coverage of obligations related to short sales (if applicable) and all current liabilities. In addition, each Fund generally invests in securities that are highly liquid and where there is an observable market price that is quoted by multiple dealers.

Market Risk

The Funds' investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

a) Currency Risk

The Funds invest in financial instruments and enter into transactions that are denominated in currencies other than the Canadian dollar. Consequently, the Funds are exposed to currency risk, which is the risk that the fair value or future cash flows of a financial instrument

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will fluctuate because of changes in foreign exchange rates. The Funds may enter into foreign exchange currency contracts to reduce their foreign currency exposure.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A Fund may hold securities with fixed interest rates that expose that Fund to fair value interest rate risk.

c) Price Risk

The Funds are exposed to price risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Funds' investments are subject to the risk of changes in the prices of equity securities, bonds and derivatives.

Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

Capital Risk Management

Units issued and outstanding are considered to be the capital of the Funds. The Funds do not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription requirements. Unitholders are entitled to require payment of the net asset value per unit of a Fund for all or any of the units of such unitholder by giving written notice to the Manager. The written notice is irrevocable and must be received no later than 4:00 p.m., EST, on the valuation day upon which the units are to be redeemed (a "Redemption Date"). The redeeming unitholder will receive payment in respect of any units surrendered for redemption on or before the 3rd business day immediately following a Redemption Date, subject to the Manager's right to suspend redemptions in certain circumstances.

5. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

Each Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Please refer to Notes to the Financial Statements – Fund Specific Information for each Fund's specific risk disclosure.

The three levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a Fund can access at the measurement date,

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are unobservable for the asset or liability.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

The Funds may participate in securities lending and; therefore, receive collateral categorized as Level 1 or 2 as defined above. Such collateral is not considered significant to the financial instrument hierarchy of the securities owned by the Funds.

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6. INVESTMENT IN STRUCTURED ENTITIES

Information related to investments in Structured Entities is as follows:

Exemplar Growth and Income Fund – June 30, 2019

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
Exemplar Investment Grade Fund ETF	3,542,678	2.03	39.48
iShares 7-10 Year Treasury Bond ETF**	10,373,522	5.93	0.06
iShares Barclays 1-3 Year Treasury Bond Fund*	2,220,473	1.27	0.01
iShares Barclays 3-7 Year Treasury Bond Fund*	11,209,557	6.41	0.15
iShares CMBS ETF*	2,547,038	1.46	0.66
iShares Floating Rate Bond ETF	1,762,092	1.01	0.02
iShares iBoxx \$ Investment Grade Corporate Bond	2,337,166	1.34	0.01
iShares J.P. Morgan USD Emerging Markets Bond	2,296,596	1.31	0.01
iShares MSCI Germany ETF	367,329	0.21	0.02
ProShares UltraPro Short Russell2000	1,593,460	0.91	2.69
Proshares UltraShort S&P500*	2,373,533	1.36	0.25
SPDR Gold Shares*	8,285,523	4.74	0.02
UltraShort QQQ ProShares*	904,349	0.52	0.29
Vanguard REIT ETF	1,487,911	0.85	0.00
iShares CMBS ETF	(7,534,496)	(4.31)	(1.95)
iShares MSCI Germany ETF	(1,485,148)	(0.85)	(0.07)
ProShares UltraPro Short Russell2000	(1,587,148)	(0.91)	(2.68)

Exemplar Growth and Income Fund – December 31, 2018

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
BMO Long Federal Bond Index ETF	173,500	0.30	0.06
Exemplar Investment Grade Fund ETF	1,994,752	3.47	1.26
iShares 20+ Year Treasury Bond ETF	1,990,625	3.46	0.02
iShares 7-10 Year Treasury Bond ETF	10,953,546	19.07	0.09
iShares Barclays 1-3 Year Treasury Bond Fund	2,866,508	4.99	0.01
iShares Barclays 3-7 Year Treasury Bond Fund	2,950,088	5.13	0.04
iShares Canadian Government Bond Index ETF	319,050	0.56	0.07
iShares S&P/TSX Global Gold Index ETF	702,000	1.22	0.09
iShares Silver Trust	198,227	0.35	0.00
iShares U.S. Dow Jones Medical Equipment Index	36,825	0.06	0.00
SPDR Gold Shares	827,653	1.44	0.00
SPDR S&P Homebuilders ETF	133,189	0.23	0.02
Utilities Select Sector SPDR Fund	325,109	0.57	0.00
Vanguard REIT ETF	203,604	0.35	0.00
iShares Barclays 3-7 Year Treasury Bond Fund	(229,285)	-0.40	0.00

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Exemplar Investment Grade Fund – June 30, 2019

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
N/A	N/A	N/A	N/A

Exemplar Investment Grade Fund – December 31, 2018

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
N/A	N/A	N/A	N/A

Exemplar Performance Fund – June 30, 2019

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
Arrow Global Advantage Alternative Class, Series ETF	3,781,791	9.41	7.97
Consumer Staples Select Sector SPDR Fund	220,532	0.55	0.00
Invesco CurrencyShares British Pound Sterling Trust	9,675	0.02	0.01
Health Care Select Sector SPDR Fund	33,969	0.08	0.00
Horizons Medical Marijuana Life Sciences ETF, Class 'A'	23,751	0.06	0.00
Horizons US Marijuana Index ETF, Class 'A'	3,876	0.01	0.02
Invesco QQQ Trust, Series '1'	7,336	0.02	0.00
iShares 20+ Year Treasury Bond ETF	561,766	1.40	0.00
iShares S&P/TSX Capped Energy Index ETF	352,786	0.88	0.06
iShares S&P/TSX Global Gold Index ETF	16,824	0.04	0.00
iShares Silver Trust	9,571	0.02	0.00
SPDR Gold Shares	558,183	1.39	0.00
SPDR S&P Aerospace & Defense ETF	8,301	0.02	0.00
SPDR S&P Homebuilders ETF	4,367	0.01	0.00
Technology Select Sector SPDR Fund	45,989	0.11	0.00
Utilities Select Sector SPDR Fund	39,044	0.10	0.00
Vanguard REIT ETF	370,833	0.92	0.00
BMO Equal Weight Banks Index ETF	(10,210)	(0.03)	(0.00)
Financial Select Sector SPDR Fund	(39,035)	(0.10)	(0.00)
Industrial Select Sector SPDR Fund	(103,413)	(0.26)	(0.00)
Invesco CurrencyShares British Pound Sterling Trust	(22,576)	(0.06)	(0.02)
iShares iBoxx High Yield Corporate Bond ETF	(76,492)	(0.19)	(0.00)
iShares MSCI Canada ETF	(70,461)	(0.18)	(0.00)
iShares Russell 2000 ETF	(22,400)	(0.06)	(0.00)
iShares Russell 2000 Growth ETF	(255,158)	(0.64)	(0.00)
iShares S&P/TSX 60 Index ETF	(313,548)	(0.78)	(0.00)
SPDR Bloomberg Barclays High Yield Bond ETF	(32,860)	(0.08)	(0.00)
SPDR S&P 500 ETF Trust	(161,153)	(0.40)	(0.00)
SPDR S&P Retail ETF	(20,530)	(0.05)	(0.01)
VanEck Vectors Semiconductor ETF	(138,515)	(0.34)	(0.01)

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Exemplar Performance Fund – December 31, 2018

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
Consumer Staples Select Sector SPDR Fund	201,042	0.49	0.00
Health Care Select Sector SPDR Fund	60,233	0.15	0.00
Horizons Medical Marijuana Life Sciences ETF, Class 'A'	14,350	0.04	0.00
iShares 20+ Year Treasury Bond ETF	149,297	0.37	0.00
iShares S&P/TSX Capped Energy Index ETF	321,200	0.79	0.04
SPDR Gold Shares	437,001	1.07	0.00
Utilities Select Sector SPDR Fund	26,009	0.06	0.00
Vanguard REIT ETF	329,842	0.81	0.00
Industrial Select Sector SPDR Fund	(105,519)	(0.26)	(0.00)
Invesco QQQ Trust, Series '1'	(44,225)	(0.11)	(0.00)
iShares China Large-Cap ETF	(3,201)	(0.01)	(0.00)
iShares iBoxx High Yield Corporate Bond ETF	(56,466)	(0.14)	(0.00)
iShares MSCI China ETF	(8,620)	(0.02)	(0.00)
iShares MSCI Europe Financials ETF	(4,628)	(0.01)	(0.00)
iShares MSCI Turkey Investable Market Index Fund	(11,338)	(0.03)	(0.00)
iShares Russell 2000 ETF	(100,540)	(0.25)	(0.00)
iShares S&P/TSX 60 Index ETF	(192,418)	(0.47)	(0.00)
SPDR S&P 500 ETF Trust	(102,357)	(0.25)	(0.00)
Technology Select Sector SPDR Fund	(2,538)	(0.01)	(0.00)
VanEck Vectors Semiconductor ETF	(54,811)	(0.13)	(0.01)
Vanguard FTSE Europe ETF	(664)	(0.00)	(0.00)

7. REDEEMABLE UNITS

During the periods ended June 30, 2019 and December 31, 2018, the number of units issued, redeemed and outstanding was as follows:

Exemplar Growth and Income Fund - for the period ended June 30, 2019

	Redeemable units outstanding at beginning of period	Redeemable units issued	Redeemable units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of period
Series A	2,341,565	2,452,323	47,885	(289,863)	4,551,910
Series AN	530,335	2,805,796	-	(335,399)	3,000,732
Series F	1,086,602	3,215,153	32,945	(81,815)	4,252,885
Series FN	1,043,110	2,098,171	-	(408,152)	2,733,129
Series I	-	-	-	-	-
Series L	113,348	159,735	2,589	(14,059)	261,613
Series LN	66,088	101,865	-	(1,853)	166,100
Series ETF	125,000	550,000	-	(100,000)	575,000

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Exemplar Growth and Income Fund - for the period ended June 30, 2018

	Redeemable units outstanding at beginning of period	Redeemable units issued	Redeemable units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of period
Series A	1,017,162	355,050	14,340	(190,334)	1,196,218
Series AN	138,077	116,847	-	(16,430)	238,494
Series F	219,985	167,010	3,535	(34,686)	355,844
Series FN	793,393	158,618	-	(46,931)	905,080
Series I	102,227	-	1,547	(441)	103,333
Series L	44,531	23,079	490	(3,551)	64,549
Series LN	22,287	2,856	-	-	25,143
Series ETF	N/A	N/A	N/A	N/A	N/A

Exemplar Investment Grade Fund - for the period ended June 30, 2019

	Redeemable units outstanding at beginning of period	Redeemable units issued	Redeemable units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of period
Series A	3,612,725	288,391	44,178	(779,754)	3,165,540
Series AI	537,584	543,323	6,379	(95,717)	991,569
Series AN	577,037	350,670	-	(133,263)	794,444
Series F	8,684,027	772,484	60,413	(1,128,468)	8,388,456
Series FI	707,025	3,436,741	34,394	(865,330)	3,312,830
Series FN	1,931,962	1,049,966	-	(296,816)	2,685,112
Series I	533	-	-	-	533
Series G	57,951	7,695	787	(246)	66,187
Series U	N/A	8,105	1	-	8,106
Series ETF	225,000	225,000	-	-	450,000

Exemplar Investment Grade Fund - for the period ended June 30, 2018

	Redeemable units outstanding at beginning of period	Redeemable units issued	Redeemable units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of period
Series A	3,281,116	679,066	41,987	(403,856)	3,598,313
Series AI	500,780	36,348	4,233	(31,925)	509,436
Series AN	515,597	229,497	-	(131,437)	613,657
Series F	8,506,130	1,719,056	63,947	(1,547,128)	8,742,005
Series FI	584,286	98,742	4,321	(24,908)	662,441
Series FN	1,545,306	352,550	-	(398,773)	1,499,083
Series I	515	-	-	-	515
Series G	137,568	19,656	2,101	(1,816)	157,509
Series U	N/A	N/A	N/A	N/A	N/A
Series ETF	100,000	125,000	-	-	225,000

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For the periods ended June 30, 2019 and December 31, 2018

Exemplar Performance Fund - for the period ended June 30, 2019

	Redeemable units outstanding at beginning of period	Redeemable units issued	Redeemable units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of period
Series A	959,407	38,237	-	(187,425)	810,219
Series AD	20,674	326	158	(310)	20,848
Series F	2,011,556	239,663	-	(416,623)	1,834,596
Series FD	43,517	-	63	(22,324)	21,256
Series I	461	-	-	-	461
Series L	246,284	5,116	-	(100,075)	151,325
Series LD	21,210	-	132	(8,000)	13,342

Exemplar Performance Fund - for the period ended June 30, 2018

	Redeemable units outstanding at beginning of period	Redeemable units issued	Redeemable units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of period
Series A	1,004,422	115,821	-	(106,870)	1,013,373
Series AD	24,830	6,528	187	(7,816)	23,729
Series F	1,686,003	514,199	-	(250,929)	1,949,273
Series FD	44,102	-	83	(16)	44,169
Series I	461	-	-	-	461
Series L	309,149	3,982	-	(7,605)	305,526
Series LD	44,217	1,484	128	(21,020)	24,809

8. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the Funds enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position, but still allow for the related amounts to set off in certain circumstances, such as bankruptcy or termination of the contracts. The following tables show financial instruments that may be eligible for offset, if such conditions were to arise, as at June 30, 2019 and December 31, 2018. The "Net Amount" column displays what the net impact would be on the Fund's Statements of Financial Position if all amounts were set off.

Exemplar Growth and Income Fund - June 30, 2019

	Gross amounts	Financial instruments eligible for offset	Net amounts presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
				Financial instruments	Collateral	Net amount
	\$	\$	\$	\$	\$	\$
Financial assets:						
Counterparty 1	386,121	-	386,121	-	-	386,121
Counterparty 2	999,615	-	999,615	(79,679)	-	919,936
	1,385,736	-	1,385,736	(79,679)	-	1,306,057
Financial liabilities:						
Counterparty 1	-	-	-	-	-	-
Counterparty 2	(79,679)	-	(79,679)	79,679	-	-
	(79,679)	-	(79,679)	79,679	-	-

EXEMPLAR FUNDS

GENERAL NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the periods ended June 30, 2019 and December 31, 2018

Exemplar Growth and Income Fund - December 31, 2018

	Gross amounts	Financial instruments eligible for offset	Net amounts presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
				Financial instruments	Collateral	Net amount
	\$	\$	\$	\$	\$	\$
Financial assets:						
Counterparty 1	409,901	-	409,901	-	-	409,901
Counterparty 2	-	-	-	-	-	-
	<u>409,901</u>	<u>-</u>	<u>409,901</u>	<u>-</u>	<u>-</u>	<u>409,901</u>
Financial liabilities:						
Counterparty 1	-	-	-	-	-	-
Counterparty 2	(75,067)	-	(75,067)	-	1	(75,066)
	<u>(75,067)</u>	<u>-</u>	<u>(75,067)</u>	<u>-</u>	<u>1</u>	<u>(75,066)</u>

Exemplar Investment Grade Fund - June 30, 2019

	Gross amounts	Financial instruments eligible for offset	Net amounts presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		
				Financial instruments	Collateral	Net amount
	\$	\$	\$	\$	\$	\$
Financial assets:						
Counterparty 1	377,970	-	377,970	(377,970)	-	-
Counterparty 2	-	-	-	-	-	-
Counterparty 3	559,095	-	559,095	-	-	559,095
	<u>937,065</u>	<u>-</u>	<u>937,065</u>	<u>(377,970)</u>	<u>-</u>	<u>559,095</u>
Financial liabilities:						
Counterparty 1	(473,446)	-	(473,446)	377,970	95,476	-
Counterparty 2	(24,468)	-	(24,468)	-	24,468	-
Counterparty 3	-	-	-	-	-	-
	<u>(497,914)</u>	<u>-</u>	<u>(497,914)</u>	<u>377,970</u>	<u>119,944</u>	<u>-</u>

EXEMPLAR FUNDS

GENERAL NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the periods ended June 30, 2019 and December 31, 2018

Exemplar Investment Grade Fund - December 31, 2018

	Gross amounts	Financial instruments eligible for offset	Net amounts presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		Net amount
				Financial instruments	Collateral	
	\$	\$	\$	\$	\$	\$
Financial assets:						
Counterparty 1	1,311,028	(81,584)	1,229,444	(1,229,444)	-	-
Counterparty 2	26,662.00	-	26,662	-	-	26,662
Counterparty 3	476,164.00	-	476,164	-	-	476,164
Counterparty 4	5,455	-	5,455	-	-	5,455
	1,819,309	(81,584)	1,737,725	(1,229,444)	-	508,281
Financial liabilities:						
Counterparty 1	(1,421,196)	81,584	(1,339,612)	1,229,444	110,168	-
Counterparty 2	-	-	-	-	-	-
Counterparty 3	-	-	-	-	-	-
Counterparty 4	-	-	-	-	-	-
	(1,421,196)	81,584	(1,339,612)	1,229,444	110,168	-

Exemplar Performance Fund - June 30, 2019

	Gross amounts	Financial instruments eligible for offset	Net amounts presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		Net amount
				Financial instruments	Cash collateral	
	\$	\$	\$	\$	\$	\$
Financial assets:						
Counterparty 1	-	-	-	-	-	-
	-	-	-	-	-	-
Financial liabilities:						
Counterparty 1	-	-	-	-	-	-
	-	-	-	-	-	-

Exemplar Performance Fund - December 31, 2018

	Gross amounts	Financial instruments eligible for offset	Net amounts presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		Net amount
				Financial instruments	Collateral	
	\$	\$	\$	\$	\$	\$
Financial assets:						
Counterparty 1	-	-	-	-	-	-
	-	-	-	-	-	-
Financial liabilities:						
Counterparty 1	-	-	-	-	-	-
	-	-	-	-	-	-

EXEMPLAR FUNDS

GENERAL NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the periods ended June 30, 2019 and December 31, 2018

9. SECURITIES LENDING

The Funds' have entered into a security lending program administered by BNY Mellon, in its capacity as Lending Agent. The tables below summarize the securities loaned and collateral held as at June 30, 2019 and December 31, 2018 and the security lending income for the period ended June 30, 2019 and 2018:

As at June 30, 2019

	Exemplar Growth and Income Fund \$	Exemplar Investment Grade Fund \$	Exemplar Performance Fund \$
Non-Cash Collateral Coverage			
Collateral received for securities on loan	35,421,493	9,558,360	5,050,414
Market value of securities loaned	(33,706,985)	(9,093,068)	(4,803,493)
Collateral in excess of securities loaned	1,714,508	465,292	246,921
Collateral as a percentage of securities loaned	105.1%	105.1%	105.1%
Non-Cash Collateral Exposure			
CAD	6,260,143	9,558,360	2,007,930
USD	29,161,350	-	3,042,484
	35,421,493	9,558,360	5,050,414

As at December 31, 2018

	Exemplar Growth and Income Fund \$	Exemplar Investment Grade Fund \$	Exemplar Performance Fund \$
Non-Cash Collateral Coverage			
Collateral received for securities on loan	16,647,536	3,339,449	3,756,568
Market value of securities loaned	(15,731,103)	(3,177,748)	(3,567,865)
Collateral in excess of securities loaned	916,433	161,701	188,703
Collateral as a percentage of securities loaned	105.8%	105.1%	105.3%
Non-Cash Collateral Exposure			
CAD	2,125,085	3,339,449	2,050,393
USD	14,522,451	-	1,706,175
	16,647,536	3,339,449	3,756,568

For the period ended June 30, 2019

	Exemplar Growth and Income Fund \$	% of gross security lending income	Exemplar Investment Grade Fund \$	% of gross security lending income	Exemplar Performance Fund \$	% of gross security lending income
Income						
Securities lending income	98,812	100.0%	2,103	100.0%	48,768	100.0%
Withholding taxes	(7,408)	7.5%	-	0.0%	(1,463)	3.0%
BNY Mellon lending agent fees	(36,554)	37.0%	(840)	39.9%	(18,918)	38.8%
Securities lending income (net)	54,850	55.5%	1,263	60.1%	28,387	58.2%

EXEMPLAR FUNDS

GENERAL NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the periods ended June 30, 2019 and December 31, 2018

For the period ended June 30, 2018

	Exemplar Growth and Income Fund	% of gross security lending income	Exemplar Investment Grade Fund	% of gross security lending income	Exemplar Performance Fund	% of gross security lending income
	\$	\$	\$	\$	\$	\$
Income						
Securities lending income	45,427	100.0%	1,407	100.0%	44,743	100.0%
Withholding taxes	(2,631)	5.8%	(7)	0.5%	(1,603)	3.6%
BNY Mellon lending agent fees	(17,115)	37.7%	(560)	39.8%	(17,253)	38.6%
Securities lending income (net)	25,681	56.5%	840	59.7%	25,887	57.9%

10. RELATED PARTY TRANSACTIONS

The Manager is responsible for making decisions relating to the investment of the Funds' assets and providing key management personnel.

The Exemplar Growth and Income Fund and Exemplar Performance Fund invests in units of other funds managed by Arrow. The number of units owned by the Funds is summarized as follows:

As at June 30, 2019

Fund Held By	Fund Invested In	Number of units	Fair Value (\$)	% of net assets attributable to holders of redeemable units
Exemplar Growth and Income Fund	Exemplar Investment Grade Fund - ETF	177,400	3,542,678	2.0
Exemplar Performance Fund	Arrow Global Advantage Alternative Class - ETF	190,007	3,781,791	9.4

As at December 31, 2018

Fund Held By	Fund Invested In	Number of units	Fair Value (\$)	% of net assets attributable to holders of redeemable units
Exemplar Growth and Income Fund	Exemplar Investment Grade Fund - ETF	102,400	1,994,752	3.5

As of June 30, 2019, the number of units owned by the Manager or Directors of the Manager of each Fund is as follows:

	Number of units	Amount (\$)	% of net assets attributable to holders of redeemable units
Exemplar Growth and Income Fund - A	2,012	21,528	0.0%
Exemplar Growth and Income Fund - AN	912	10,041	0.0%
Exemplar Growth and Income Fund - F	3,540	38,020	0.0%
Exemplar Growth and Income Fund - FN	291,963	3,299,182	1.9%
Exemplar Investment Grade Fund - I	533	5,788	0.0%
Exemplar Investment Grade Fund - U	101	1,330	0.0%
Exemplar Performance Fund - F	871	12,586	0.0%
Exemplar Performance Fund - I	461	6,021	0.0%

As of December 31, 2018, the number of units owned by the Manager or Directors of the Manager of each Fund is as follows:

EXEMPLAR FUNDS

GENERAL NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the periods ended June 30, 2019 and December 31, 2018

	Number of units	Amount (\$)	% of net assets attributable to holders of redeemable units
Exemplar Growth and Income Fund - A	4,096	43,090	0.1%
Exemplar Growth and Income Fund - FN	369,982	4,029,099	7.0%
Exemplar Growth and Income Fund - ETF	500	10,115	0.0%
Exemplar Investment Grade Fund - I	533	5,542	0.0%
Exemplar Performance Fund - F	871	11,034	0.0%
Exemplar Performance Fund - I	461	5,245	0.0%

Management and Performance Fees

Management fees are calculated and accrued daily and paid monthly and are subject to HST (and any other applicable taxes). The management fee rates are as follows:

Series	Fund		
	Exemplar Growth and Income Fund	Exemplar Investment Grade Fund	Exemplar Performance Fund
A	1.80	1.30	2.00
AD	n/a	n/a	2.00
AI	n/a	1.30	n/a
AN	1.80	1.30	n/a
U	n/a	n/a	n/a
F	0.80	0.80	1.00
FD	n/a	n/a	1.00
FI	n/a	0.80	n/a
FN	0.80	0.80	n/a
G	n/a	0.80	n/a
L	2.10	n/a	2.30
LD	n/a	n/a	2.30
LI	n/a	n/a	n/a
LN	2.10	n/a	n/a
M	n/a	n/a	n/a
ETF	0.80	0.80	n/a

Effective October 01, 2018, the Manager reduced the management fee rates on Exemplar Growth and Income Fund Series A and AN from 2.00% to 1.80%, Series F and FN from 1.00% to 0.80%, Series L and LN from 2.30% to 2.10% and Series ETF from 1.00% to 0.80%. A holder of Series I units of a Fund, if applicable, pays a negotiated management fee directly to Arrow. The management fee in respect of Series I units will be different for each investor, and will not exceed 2.50% per year.

In addition, Exemplar Performance Fund pay the Manager an annual performance fee (the "Performance Fee"), equal to 20% of the amount by which the Funds outperform their respective index. The Performance Fee is calculated and accrued daily and paid annually on a calendar year basis and is subject to HST (and any other applicable taxes). If the performance of a series of the Fund in any year is less than the performance of the index described below (the "Return Deficiency"), then no Performance Fee will be payable in any subsequent year until the performance of the applicable series, on a cumulative basis calculated from the first of such subsequent years, has exceeded the amount of the Return Deficiency.

A Performance Fee will be payable in all circumstances where the performance of the Fund exceeds that of the S&P/TSX Composite Total Return Index, even in circumstances where the overall performance of the Fund has declined in a particular year, but as long as the performance of the Fund is positive since the last date that a performance fee was paid by the Fund. The S&P/TSX Composite Total Return Index is comprised of most of the largest companies on the Toronto Stock Exchange as measured by market capitalization with any distributions reinvested.

EXEMPLAR FUNDS

GENERAL NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the periods ended June 30, 2019 and December 31, 2018

If any units of Exemplar Performance Fund are redeemed prior to the end of a calendar year, a performance fee will be payable on the redemption date in respect of each such unit in the same manner as described above, however, the bench mark will be pro-rated. This performance fee is paid to the fund quarterly.

Exemplar Growth and Income Fund does not charge a performance fee directly, although funds it invests in may be charged a performance fee.

Each Fund is responsible for all operating expenses incurred by or on behalf of that Fund. At the discretion of the Manager, certain fees may be absorbed by the Manager. During the period ended June 30, 2019 and June 30, 2018 the Manager waived operating expenses as noted in the Statements of Comprehensive Income (Loss).

Accrued management fees and performance fees (excluding HST) included in other liabilities on the Statements of Financial Position are as follows:

	June 30, 2019		December 31, 2018	
	Management Fees	Performance Fees	Management Fees	Performance Fees
	\$	\$	\$	\$
Exemplar Growth and Income Fund	163,713	N/A	57,048	N/A
Exemplar Investment Grade Fund	140,307	N/A	127,315	N/A
Exemplar Performance Fund	41,814	9,728	48,062	186

Operation and Administration Fees

The Funds pay for all expenses incurred in connection with its operation and administration, including applicable GST, HST and any applicable provincial sales taxes. Such costs and expenses may include, without limitation, the fees and expenses of the members of the IRC appointed under NI 81-107 and NI 81-102, as applicable and expenses related to the compliance of those Canadian Securities Regulations; regulatory fees including participation or other fees payable by the Manager under applicable securities legislation; accounting; audit; valuation; legal; registrar and transfer agency, custodial and safekeeping fees; taxes; brokerage commissions; fees and expenses relating to the implementation of portfolio transactions; interest; shareholder servicing costs; shareholder meeting costs; printing and mailing costs; litigation expenses; amounts paid for damages awarded or as settlements in connection with litigation; lease payments (including prepaid portions thereof); costs of office space, facilities and equipment; costs of financial and other reports and prospectuses that are used in complying with applicable securities legislation; and any new fee that may be introduced by a securities authority or other governmental authority that is calculated based on assets or other criteria of the Funds. The Manager may provide any of these services and is reimbursed all of its costs in providing these services to the Funds which may include but are not limited to personnel costs, office space, insurance and depreciation. The common expense of the Funds and other investment funds managed by Arrow will be allocated among the Funds and other funds, as applicable. The Funds will bear separately any expense item that can be attributed specifically to the Funds. Common expense of the Funds and other funds will be allocated based on a reasonable allocation methodology which will include allocations based on the assets of the Funds or the number of shareholders of the Funds or other methodology the Manager determine is fair.

EXEMPLAR FUNDS

GENERAL NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the periods ended June 30, 2019 and December 31, 2018

11. BROKERAGE COMMISSIONS

Total commissions paid to dealers for the periods ended June 30, 2019 and 2018 in connection with portfolio transactions are as follows:

	June 30, 2019	June 30, 2018
	\$	\$
Exemplar Growth and Income Fund	111,504	120,973
Exemplar Investment Grade Fund	7,070	27,545
Exemplar Performance Fund	3,594	22,764

Soft Dollar Commissions

Total commissions used to purchase market data services by the Funds for the periods ended June 30, 2019 and 2018 are as follows:

	June 30, 2019	June 30, 2018
	\$	\$
Exemplar Growth and Income Fund	32,797	3,808
Exemplar Investment Grade Fund	-	-
Exemplar Performance Fund	7,539	5,612

12. TAXATION

The Funds qualify as mutual fund trusts under the Income Tax Act (Canada) ("Tax Act"). All of the Funds' net income for tax purposes and sufficient net capital gains realized in any year are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses would not be reflected in the Statements of Financial Position as a deferred income tax asset. The following are the capital and non-capital loss carryforwards:

	Non-Capital Loss*	Capital Loss**
	\$	\$
Exemplar Growth and Income Fund	nil	nil
Exemplar Investment Grade Fund	23,569	3,259,480
Exemplar Performance Fund	500,569	449,796

* Non-capital losses can be offset against income in future years for up to 20 years.

** Net Capital losses can be carried forward indefinitely for offset against gains in future periods.

EXEMPLAR FUNDS

GENERAL NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the periods ended June 30, 2019 and December 31, 2018

13. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the periods ended June 30, 2019 and 2018 is calculated as follows:

June 30, 2019	Increase (decrease) in net assets attributable to holders of redeemable units (\$)	Weighted average redeemable units outstanding during the period	Increase (decrease) in net assets attributable to holders of redeemable units per unit (\$)
Exemplar Growth and Income Fund – Series A	1,255,347	3,478,522	0.36
Exemplar Growth and Income Fund – Series AN	458,023	1,828,979	0.25
Exemplar Growth and Income Fund – Series F	1,062,875	2,521,195	0.42
Exemplar Growth and Income Fund – Series FN	687,414	1,813,224	0.38
Exemplar Growth and Income Fund – Series I	-	-	0.00
Exemplar Growth and Income Fund – Series L	63,359	186,612	0.34
Exemplar Growth and Income Fund – Series LN	34,800	104,063	0.33
Exemplar Growth and Income Fund – Series ETF	270,063	372,765	0.72
Exemplar Investment Grade Fund – Series A	1,190,872	3,479,427	0.34
Exemplar Investment Grade Fund – Series AI	216,228	774,324	0.28
Exemplar Investment Grade Fund – Series AN	235,673	705,205	0.33
Exemplar Investment Grade Fund – Series F	3,214,130	8,577,383	0.37
Exemplar Investment Grade Fund – Series FI	575,655	2,192,496	0.26
Exemplar Investment Grade Fund – Series FN	870,108	2,339,087	0.37
Exemplar Investment Grade Fund – Series I	244	533	0.46
Exemplar Investment Grade Fund – Series G	122	62,063	0.00
Exemplar Investment Grade Fund – Series U	(1,338)	5,451	(0.25)
Exemplar Investment Grade Fund – Series ETF	217,767	323,743	0.67
Exemplar Performance Fund – Series A	1,516,740	901,857	1.68
Exemplar Performance Fund – Series AD	26,789	20,672	1.30
Exemplar Performance Fund – Series F	3,456,823	1,904,141	1.82
Exemplar Performance Fund – Series FD	52,910	34,597	1.53
Exemplar Performance Fund – Series I	777	461	1.69
Exemplar Performance Fund – Series L	319,005	204,724	1.56
Exemplar Performance Fund – Series LD	27,181	20,663	1.32

EXEMPLAR FUNDS

GENERAL NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the periods ended June 30, 2019 and December 31, 2018

June 30, 2018	Increase (decrease) in net assets attributable to holders of redeemable units (\$)	Weighted average redeemable units outstanding during the period	Increase (decrease) in net assets attributable to holders of redeemable units per unit (\$)
Exemplar Growth & Income Fund - Series A	155,678	1,069,562	0.15
Exemplar Growth & Income Fund - Series AN	33,542	176,151	0.19
Exemplar Growth & Income Fund - Series F	67,692	295,567	0.23
Exemplar Growth & Income Fund - Series FN	182,799	838,817	0.22
Exemplar Growth & Income Fund - Series I	24,149	102,490	0.24
Exemplar Growth & Income Fund - Series L	5,280	45,380	0.12
Exemplar Growth & Income Fund - Series LN	3,435	23,224	0.15
Exemplar Investment Grade Fund – Series A	100,298	3,441,458	0.03
Exemplar Investment Grade Fund – Series AI	15,222	497,210	0.03
Exemplar Investment Grade Fund – Series AN	19,338	551,674	0.04
Exemplar Investment Grade Fund – Series F	513,555	9,029,739	0.06
Exemplar Investment Grade Fund – Series FI	35,490	631,793	0.06
Exemplar Investment Grade Fund – Series FN	93,839	1,521,100	0.06
Exemplar Investment Grade Fund – Series I	56	515	0.11
Exemplar Investment Grade Fund – Series G	111,916	154,613	0.72
Exemplar Investment Grade Fund – Series ETF	19,059	208,889	0.09
Exemplar Performance Fund – Series A	410,168	1,014,934	0.40
Exemplar Performance Fund – Series AD	7,295	24,967	0.29
Exemplar Performance Fund – Series F	934,588	1,908,116	0.49
Exemplar Performance Fund – Series FD	18,132	44,129	0.41
Exemplar Performance Fund – Series I	211	461	0.46
Exemplar Performance Fund – Series L	110,221	309,445	0.36
Exemplar Performance Fund – Series LD	8,561	31,292	0.27

14. REVISION OF COMPARATIVE FIGURES

For the period ended June 30, 2018, “Unrealized foreign exchange gain (loss) on cash and cash equivalents” and “Unrealized foreign exchange (gain) loss on cash and cash equivalents” disclosed in the Statements of Cash Flows has been revised to exclude the unrealized foreign exchange gain (loss) on margin deposits and margin loans and unrealized foreign exchange (gain) loss on margin deposits and margin loans. The reclassified amounts for Exemplar Growth and Income Fund, Exemplar Investment Grade Fund and Exemplar Performance Fund are \$14,694, \$34,058 and \$163,165, respectively. This change was made to more appropriately reflect the balance relating to the cash and cash equivalents held by the Funds.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

August 27, 2019

TO THE UNITHOLDERS AND TRUSTEE OF EXEMPLAR GROWTH AND INCOME FUND, EXEMPLAR INVESTMENT GRADE FUND, AND EXEMPLAR PERFORMANCE FUND (COLLECTIVELY THE "FUNDS")

The accompanying unaudited financial statements have been prepared by Arrow Capital Management Inc. ("Arrow" or the "Manager" of the Funds), and approved by the Board of Directors of the Manager. The Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Funds are described in Note 2 to the financial statements.

"James L. McGovern"

JAMES L. MCGOVERN
Managing Director & CEO
ARROW CAPITAL MANAGEMENT INC.

"Robert W. Maxwell"

ROBERT W. MAXWELL
Managing Director & CFO
ARROW CAPITAL MANAGEMENT INC.

NOTICE TO UNITHOLDERS

The auditor of the Funds has not reviewed these interim financial statements.

The Manager of the Funds appoints an independent auditor to audit the Funds' annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Funds' interim financial statements, this must be disclosed in an accompanying notice.

FUND INFORMATION

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